

RMB

30 October 2026

Global markets

In the news

The US dollar's rally may continue despite the US mid–term election, driven by high interest rates and a surge in AI-related spending. Yields on long-dated government bonds are high enough that investors are coming back, with risk-free payouts near multi-decade highs.

Foreign exchange

The rand has remained relatively resilient despite a challenging external backdrop, supported by lower US Treasury yields and a softer US dollar. With the DXY easing towards 101.7 and the Bank of Japan maintaining its accommodative stance, tighter global financial conditions have been partially offset, limiting pressure on emerging-market currencies. However, USD/ZAR remains vulnerable while oil prices remain elevated and gold trades below US$4,000/oz. A rebound in the US dollar or a reversal in the Treasury rally could see the pair move back towards the 16.70-16.75 range.

Commodities and fixed income

Oil remains the dominant macro risk, with Brent briefly approaching US$118/bbl amid escalating US-Iran tensions and continued threats to shipping through the Strait of Hormuz. The move has reinforced concerns around inflation and global growth, although a renewed sell-off in technology stocks has triggered a flight to safety that has pushed US Treasury yields lower, with the 10-year yield falling back towards 4.9%. South African Government Bonds (SAGB) benefitted from the supportive global rates backdrop and the positive implications of South Africa's GDP rebasing, which improved key fiscal metrics. While lower US yields should continue to support local bonds, elevated oil prices remain a significant inflation risk and are likely to limit the extent of any further rally in fixed income markets.

Botswana

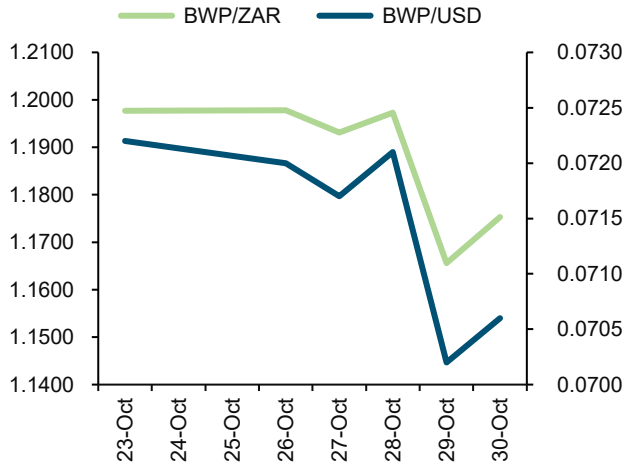
Bank of Botswana maintains policy rate at 5.5% in October

The Bank of Botswana's Monetary Policy Committee (MPC) left the Monetary Policy Rate (MoPR) unchanged at 5.5% at its October 2026 meeting, reflecting a balance between supporting economic activity and containing inflationary pressures. The Committee noted that while headline inflation moderated to 7.8% in September from 9.3% in August, it remains above the Bank's 3-6% medium-term objective range and is expected to stay elevated in the near term before returning to target during the 2Q2027. Inflation is forecast to average 8.1% in 2026 before easing to 5.4% in 2027, with risks remaining skewed to the upside due to higher fuel and electricity costs, geopolitical tensions, and adverse climate conditions.

In its decision, the MPC maintained the Standing Deposit Facility rate at 4.5% and the Standing Credit Facility rate at 6.5%, while continuing liquidity operations at the MoPR. Importantly, the Committee also lifted the moratorium on commercial banks' prime lending rates, citing improved liquidity conditions, moderating funding costs and a preference for a more liberalised market framework. The MPC indicated that the move could support a decline in lending rates over time, thereby improving monetary policy transmission while preserving financial and price stability.

Foreign exchange

The Botswana pula is trading within a range against the US dollar this morning as global markets readjust their bets on interest rate expectations for the remainder of the year following the US Federal Reserve's decision to keep the interest rate unchanged. This morning the Bank of Botswana is looking to raise BWP4.2bn in the local debt market at the October government securities auction. The Botswana pula is expected to take its cues from global markets.



Source: Bank of Botswana, RMB Global Markets; data as of October 2026

FXPH +267 395 6749
Email: dlrmbbotswanafxph@rmb.co.za

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Money markets

Market liquidity closed at BWP3.852bn, down from BWP4.153bn in the previous trading session. Interbank activity amounted to BWP300m, transacted at 5.50%, while no repos were traded. Moreover, the seven-day Bank of Botswana Certificate (BoBC) stop-out yield was 5.50%.

Credit Facility Rate				
Rate	Actual	Previous	Variance	Trend
Unsecured interbank yield	5.50%	5.50%	0.00%	
Secured interbank yield	0.00%	0.00%	0.00%	
1-month BoBC	6.05%	6.05%	0.00%	
91-day T-bill	6.75%	6.75%	0.00%	
182-day T-bill	7.98%	7.98%	0.00%	
MoPR	5.50%	5.50%	0.00%	
Repo/Reverse repo rate	5.50%	5.50%	0.00%	
Credit Facility Rate	8.50%	8.50%	0.00%	
Standing Credit Facility	6.50%	6.50%	0.00%	
Standing Deposit Facility	4.50%	4.50%	0.00%	
FNBB Prime rate	7.01%	7.01%	0.00%	

Government bonds					
Bond	Maturity	October 30, 2026	October 29, 2026	Variance	Trend
6-m T-bill	29-Jul-25	6.27%	6.27%	0.00%	
12-m T-bill	30-Nov-25	6.60%	6.60%	0.00%	
BW016	05-May-27	6.50%	6.50%	0.00%	
BW014	05-Sept-29	7.73%	7.73%	0.00%	
BW011	10-Sept-31	9.18%	9.18%	0.00%	
BW012	13-Jun-40	12.00%	12.00%	0.00%	
BW015	02-Sept-43	12.20%	12.20%	0.00%	
BOTSGB0635	06-Jun-35	9.98%	9.98%	0.00%	
BOTSGB1150	02-Nov-50	12.35%	12.35%	0.00%	

FXPH +267 395 6749
Tshiamo Kgame tshiamo.kgame@rmb.co.bw; Sapphire Mahlaka Sapphire.Mahlaka@rmb.co.bw; Baile Corrigan: bcorrigan@rmb.co.bw; Takunda Charumbira Takunda.Charumbira@rmb.co.bw; Boikanyo Lekoko boikanyo.lekoko@rmb.co.bw; Lame Koboyakgomo Lame.Koboyakgomo@rmb.co.bw; Ross Rakanyane Ross.Rakanyane@rmb.co.bw; Same Makwiti smakwiti@rmb.co.bw

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